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# Transportation Funding. Initiative Constitutional Amendment and Statute.

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SA2005RF0122

November 9, 2005

**VIA PERSONAL DELIVERY**

The Honorable Bill Lockyer  
Attorney General  
1300 I Street  
Sacramento, CA 95814

**RECEIVED**

NOV 09 2005

INITIATIVE COORDINATOR  
ATTORNEY GENERAL'S OFFICE

Attn: Tricia Knight, Initiative Coordinator

Re: Request for Title and Summary- Initiative Constitutional and Statutory  
Amendment

Dear Mr. Lockyer:

Pursuant to Article II, Section 10(d) of the California Constitution and Section 9002 of the Elections Code, I hereby request that a title and summary be prepared for the attached initiative constitutional and statutory amendment. Enclosed is a check for \$200.00. My residence address is attached.

All inquiries or correspondence relative to this initiative should be directed to Nielsen, Merksamer, Parrinello, Mueller & Naylor, LLP, 1415 L Street, Suite 1200, Sacramento, CA 95814, (916) 446-6752, Attention: Richard D. Martland.

Thank you for your assistance.

Sincerely,

James Earp, Proponent

Enclosure: Proposed Initiative

## SECTION 1. TITLE.

This act shall be known, and may be cited as, The Transportation Funding Protection Act of 2006.

## SECTION 2. FINDINGS AND DECLARATIONS

The people find and declare as follows:

- (a) California's roads and highways are deteriorating at a rapid pace.
- (b) The cause of this deterioration is the annual diversion by the Legislature of state gasoline and diesel taxes for purposes other than transportation.
- (c) The purpose of this Act is to halt the diversions and preserve these revenues for the transportation purposes to which they are dedicated.
- (d) If a catastrophic natural disaster or other grave emergency causes serious damage to California's transportation system, sufficient funds will be immediately available to repair the damage and rebuild the transportation system.

SECTION 3. Section 6 of Article XIX is amended to read:

~~SECTION 6. The tax revenues designated under this article may be loaned to the General Fund only if one of the following conditions is imposed:~~

~~—(a) That any amount loaned is to be repaid in full to the fund from which it was borrowed during the same fiscal year in which the loan was made, except that repayment may be delayed until a date not more than 30 days after the date of enactment of the budget bill for the subsequent fiscal year.~~

~~—(b) That any amount loaned is to be repaid in full to the fund from which it was borrowed within three fiscal years from the date on which the loan was made and one of the following has occurred:~~

~~—(1) The Governor has proclaimed a state of emergency and declares that the emergency will result in a significant negative fiscal impact to the General Fund.~~

~~—(2) The aggregate amount of General Fund revenues for the current fiscal year, as projected by the Governor in a report to the Legislature in May of the current fiscal year, is less than the aggregate amount of General Fund revenues for the previous fiscal year, adjusted for the change in the cost of living and the change in population, as specified in the budget submitted by the Governor pursuant to Section 12 of Article IV in the current fiscal year.~~

(e) ~~Nothing in this section prohibits the Legislature from authorizing~~ The Legislature may, by statute, authorize loans to local transportation agencies, cities, counties, or cities and counties, from funds that are subject to this article, for the purposes authorized under

this article. Any loan authorized as described by this ~~subdivision~~ section shall be repaid, with interest at the rate paid on money in the Pooled Money Investment Account, or any successor to that account, during the period of time that the money is loaned, to the fund from which it was borrowed, not later than four years after the date on which the loan was made.

SECTION 4. Section 1 of Article XIX A is repealed.

~~SECTION 1. The funds in the Public Transportation Account in the State Transportation Fund, or any successor to that account, may be loaned to the General Fund only if one of the following conditions is imposed:~~

~~—(a) That any amount loaned is to be repaid in full to the account during the same fiscal year in which the loan was made, except that repayment may be delayed until a date not more than 30 days after the date of enactment of the budget bill for the subsequent fiscal year.~~

~~—(b) That any amount loaned is to be repaid in full to the account within three fiscal years from the date on which the loan was made and one of the following has occurred:~~

~~—(1) The Governor has proclaimed a state of emergency and declares that the emergency will result in a significant negative fiscal impact to the General Fund.~~

~~—(2) The aggregate amount of General Fund revenues for the current fiscal year, as projected by the Governor in a report to the Legislature in May of the current fiscal year, is less than the aggregate amount of General Fund revenues for the previous fiscal year, as specified in the budget submitted by the Governor pursuant to Section 12 of Article IV in the current fiscal year.~~

SECTION 5. Section 1 of Article XIX B is amended to read:

SECTION 1. (a) For the 2003-04 fiscal year and each fiscal year thereafter, all moneys that are collected during the fiscal year from taxes under the Sales and Use Tax Law (Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code), or any successor to that law, upon the sale, storage, use, or other consumption in this State of motor vehicle fuel, and that are deposited in the General Fund of the State pursuant to that law, shall be transferred to the Transportation Investment Fund, which is hereby created in the State Treasury.

(b) (1) For the 2003-04 to 2007-08 fiscal years, inclusive, moneys in the Transportation Investment Fund shall be allocated, upon appropriation by the Legislature, in accordance with Section 7104 of the Revenue and Taxation Code as that section read on the ~~operative date of this article~~ March 6, 2002.

(2) For the 2008-09 fiscal year and each fiscal year thereafter, moneys in the

Transportation Investment Fund shall be allocated solely for the following purposes:

(A) Public transit and mass transportation.

(B) Transportation capital improvement projects, subject to the laws governing the State Transportation Improvement Program, or any successor to that program.

(C) Street and highway maintenance, rehabilitation, reconstruction, or storm damage repair conducted by cities, including a city and county.

(D) Street and highway maintenance, rehabilitation, reconstruction, or storm damage repair conducted by counties, including a city and county.

(c) For the 2008-09 fiscal year and each fiscal year thereafter, moneys in the Transportation Investment Fund shall be allocated, upon appropriation by the Legislature, as follows:

(A) Twenty percent of the moneys for the purposes set forth in subparagraph (A) of paragraph (2) of subdivision (b).

(B) Forty percent of the moneys for the purposes set forth in subparagraph (B) of paragraph (2) of subdivision (b).

(C) Twenty percent of the moneys for the purposes set forth in subparagraph (C) of paragraph (2) of subdivision (b).

(D) Twenty percent of the moneys for the purpose set forth in subparagraph (D) of paragraph (2) of subdivision (b).

(d) The transfer of revenues from the General Fund of the State to the Transportation Investment Fund pursuant to subdivision (a) may be suspended, in whole or in part, for a fiscal year if ~~both of~~ the following conditions are met:

(1) The Governor has issued a proclamation that declares that the transfer of revenues pursuant to subdivision (a) will result in a significant negative fiscal impact on the range of functions of government funded by the General Fund of the State.

(2) The Legislature enacts by statute, pursuant to a bill passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, a suspension for that fiscal year of the transfer of revenues pursuant to subdivision (a), provided that the bill does not contain any other unrelated provision.

(3) For fiscal year 2007-08 and each fiscal year thereafter, the statute is submitted to the voters for ratification, and is approved, at the next regularly scheduled statewide election occurring at least 131 days after the enactment of the statute.

(e) The Legislature may enact a statute that modifies the percentage shares set forth in subdivision (c) by a bill passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, provided that the bill does not contain any other unrelated provision and that the moneys described in subdivision (a) are expended solely for the purposes set forth in paragraph (2) of subdivision (b).

SECTION 6. Article XIX C is added to the constitution to read:

SECTION 1. Tax revenues designated in Articles XIX and XIX B, and funds designated in Article XIX A may be loaned to the General Fund to meet the short term cash flow needs of the state only if the loan is to be repaid in full to the fund or account from which it was borrowed during the same fiscal year in which the loan was made, except that repayment may be delayed until a date not more than 30 days after the date of enactment of the budget bill for the subsequent fiscal year. In no event shall any loan authorized herein impede in any manner the transportation purpose for which the revenues are generated and exist.

SECTION 7. Section 9040.1 is added to the Elections Code to read:

The ballots for any statute submitted to the voters for ratification pursuant to section 1 of Article XIX B of the California Constitution shall have printed on them the words: "Shall the statute authorizing the diversion of transportation funds from the Transportation Investment Fund be adopted?" Opposite the statement and to its right the words "Yes" and "No" shall be printed on separate lines.

SECTION 8. Conflicting Ballot Measures

In the event that this measure and another measure or measures relating to the disposition of transportation revenues shall appear on the same statewide election ballot, the provisions of the other measures shall be deemed to be in conflict with this measure. In the event that this measure shall receive a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other measures shall be null and void.